

R590. Insurance, Administration.

R590-247-3. General Instructions.

(1) Use of the Utah Individual Health Insurance Application and the Utah Small Employer Health Insurance Application by insurers or by health insurance producers is mandatory.

(2) The Utah Individual Health Insurance Application and Utah Small Employer Health Insurance Application must be used without insurer identifying logos or addresses to facilitate multiple insurer submissions using a single application.

(3) The Utah Individual Health Insurance Application and Utah Small Employer Health Insurance Application can be downloaded from the Department's website at www.insurance.utah.gov.

(4) The Utah Individual Health Insurance Application and Utah Small Employer Health Insurance Application may only be altered for:

(a) purposes of electronic application and submission, including electronic signature disclaimers;

(b) languages other than English; and

(c) reasons specifically approved by the commissioner.

(5) The use of the Utah Individual Health Insurance Application and the Utah Small Employer Health Insurance Application does not limit the ability of an insurer to obtain additional information for underwriting purposes.

(6) Section L, Producer Agreement and Compensation Disclosure section on the Utah Individual Health Insurance Application must include all information to be disclosed as required by Section 31A-23a-501.

(7) Question number 40 on the Utah Individual Health Insurance Application and Utah Small Employer Health Insurance Application may not be used for purposes of Sections 31A-8-402.3, 31A-8-402.5, 31A-21-105, 31A-22-721, 31A-30-107, 31A-30-107.1, or R590-247-3(5), unless the information was disclosed or should have been disclosed in another question on the application.

(8)(a) Starting July 1, 2009, insurers shall accept the Utah Individual Health Insurance Application and Utah Small Employer Health Insurance Application.

(b) An insurer may accept an application other than the Utah Individual Health Insurance Application and Utah Small Employer Health Insurance Application until December 31, 2009.

(9) No later than July 1, 2010, all insurers shall offer compatible systems for electronic submission of the Utah Individual Health Insurance Application and the Utah Small Employer Health Insurance Application.

(10) Effective March 24, 2010, if an employee chooses to waive coverage, an insurer shall not require such employee to complete any section of the Utah Small Employer Health Insurance Application other than sections A, B, D, E, questions 1 and 2 of section G, and J.

KEY: universal health insurance application

Date of Enactment or Last Substantive Amendment: [July 1, 2009] 2010

Authorizing, and Implemented or Interpreted Law: 31A-30-102, 31A-22-635

NOTICE OF 120-DAY (EMERGENCY) RULE

- The agency identified below in box 1 provides notice of a 120-day (emergency) rule pursuant to Utah Code Section 63G-3-304.
- Please address questions regarding information on this notice to the agency.

Agency Information

1. Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 33505 Date filed: 03/24/2010 04:31 PM
 State Admin Rule Filing Key: 149581
 Utah Admin. Code ref. (R no.): R 590 - 247 - 3

Title

2. Title of rule or section (catchline):
 General Instructions

Effective Date

3. Effective Date (mm/dd/yyyy): 3/24/10

Rule Purpose

4. Purpose of the rule or reason for the change:

HB294, Health System Reform Amendments, was passed by the Utah Legislature and effective 3-22-2010. The bill includes a change to 31A-22-635, Development of Uniform Health Insurance Application--Uniform waiver of coverage. The changes deal with what can be required for employees waiving coverage. New wording requires the use of a uniform waiver of coverage form that limits what can be asked. The department is in the process of working with industry to develop this form but until it is completed, guidelines need to be provided to the health care industry. The changes to this rule will implement similar requirements that be in the waiver when developed.

Rule Summary

5. Summary of the rule or change:

Changes to the rule require health insurers to limit the questions in their uniform health insurance application waivers as now required in 31A-22-635(2)(a)(ii).

6. Regular rulemaking would:

Will place the agency in violation of federal or state law.

House Bill 294, Health System Reform Amendments, passed and put into effect 3-22-2010, requires

the department to put into effect the same date, a waiver to be used with all universal health insurance applications. The waiver is to limit the questions an employee can be asked. The emergency rule and justification: instructs health insurers how this is to be complied with in the interim until the waiver is developed and put into effect by rule.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

The change to this rule will create no additional work or revenues nor will there be a cost savings for the department. The rule simply limits the questions that can be asked on a waiver when an employee waives coverage.

B) Local government:

Affected: No

This rule deals solely with the relationship between the department and their health insurance licensees. It will have no impact on local government.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

This change affects health insurance policies sold to small employers with less than 50 employees. It will affect the questions an employee will have to answer in relation to an insurance waiver they fill out. The change in the questions to be asked will have no fiscal impact on the employer or the employee except that there will be fewer questions to answer. The waiver applies to employees that waive health insurance coverage which means there is no coverage, no benefits and no premium for the employee.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

This rule does not apply to large employers. It applies to employees waiving health coverage so there is no cost to them. Depending on how the insurer makes the changes to their waiver form there may be some minor cost.

Compliance Cost Information

8. Compliance costs for affected persons:

Small employers and insureds will not be impacted financially. The insured will have fewer questions to answer. The insurer may have minor costs associated with changing their waiver to conform to the rule.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

The changes to this rule will have no fiscal impact on small employers. It may have a minor fiscal impact on health insurers doing business in Utah.

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Acting Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :
31A-30-102

31A-22-635

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):
Publisher:
Date Issued:
Issue, or version:
ISBN Number:
ISSN Number:
Cost of Incorporated Reference:
Adds, updates, removes:

Indexing Information

12. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- universal
 - health
 - application
 - insurance

File Information

13. Attach an RTF document containing the text of this rule change (filename):
- There is a document associated with this rule filing.

To the agency: Information requested on this form is required by Sections 63G-3-301, 304, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying the effective date and publication in the Utah State Bulletin.

Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information
Specialist

Date (mm/dd/yyyy): 03/24/2010